

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 225783

60

ORIGIN EB-11

INFO OCT-01 NEA-10 ISO-00 AGR-20 CIAE-00 COME-00 INR-10

LAB-06 NSAE-00 RSC-01 SPC-03 STR-08 TRSE-00 CIEP-02

OMB-01 SS-20 L-03 NSC-10 PA-04 PRS-01 USIA-15 /126 R

DRAFTED BY EB/FTD:HMPHELAN:MLB

APPROVED BY EB/FTD:HMPHELAN

NEA/INS - JHAWES

DESIRED DISTRIBUTION

NEA/INS

----- 006277

P 152006Z NOV 73

FM SECSTATE WASHDC

TO AMCONSUL BOMBAY PRIORITY

INFO AMEMBASSY NEW DELHI PRIORITY

LIMITED OFFICIAL USE STATE 225783

EO: 11652, N/A

TAGS: ETRD, IN

SUBJECT: US - INDIA MEMO UNDERSTANDING - TEXTILE MATTERS

REF: STATE 215612 NOTAL

1. CONGEN REQUESTED CONVEY SOONEST TO S.K. BAGCHI, TEXTILE COMMISSIONER, BOMBAY, GOI MINISTRY OF COMMERCE, THE FINAL DRAFT TEXTS OF "MEMO OF UNDERSTANDING" AND "SUPPLEMENTAL MEMO OF UNDERSTANDING" ON TEXTILE MATTERS BETWEEN USG AND GOI. THE FINAL DRAFT REFLECTS DEFINITIVE UNDERSTANDINGS REACHED IN DISCUSSIONS BETWEEN USG AND GOI REPS. IN GENEVA LAST WEEK.

2. IT IS OUR UNDERSTANDING THAT BAGCHI'S INTENT IS TO COME TO WASHINGTON "SOMETIME WEEK NOV. 19TH" TO SIGN MEMO. WHEN CONGEN CONVEYS TEXT TO BAGCHI (WHICH SHOULD BE HANDED HIM PERSONALLY), HE SHOULD BE INFORMED THAT DUE UNEXPECTED DEVELOPMENTS REQUIRING FOREIGN TRAVEL BY  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 225783

MINISTER JURICH, JURICH WILL NOT BE BACK IN WASHINGTON

UNTIL EVENING NOVEMBER 22. WOULD BE AVAILABLE TO  
MEET WITH BAGACHI FOR SIGNING NOVEMBER 23 PREFERABLY IN

MORNING. WOULD APPRECIATE BEING INFORMED SOONEST  
BAGCHI'S TRAVEL PLANS. GOI EMB. HERE HAS NO INFORMATION.

3. THERE FOLLOWS TEXTS OF MEMOS.

MEMORANDUM OF UNDERSTANDING

REPRESENTATIVES OF THE GOVERNMENT OF INDIA AND THE  
GOVERNMENT OF THE UNITED STATES OF AMERICA, TAKING  
ACCOUNT OF THEIR COMMON INTERESTS IN VARIOUS ASPECTS  
OF INTERNATIONAL TRADE IN TEXTILES AND TEXTILE PRODUCTS,  
AND TAKING ACCOUNT OF THE CURRENT SITUATION CONCERNING  
COTTON TEXTILE TRADE AND THE OPERATION OF THE  
AGREEMENT CONCERNING COTTON TEXTILE TRADE BETWEEN INDIA  
AND THE UNITED STATES, HAVE REACHED THE FOLLOWING  
UNDERSTANDINGS:

(A) THE BILATERAL AGREEMENT BETWEEN THE GOVERNMENT  
OF INDIA AND THE GOVERNMENT OF THE UNITED STATES OF  
AMERICA CONCERNING TRADE IN COTTON TEXTILES WILL BE  
AMENDED AS OF OCTOBER 1, 1973 TO THE FOLLOWING EFFECT:

(I) THE AGGREGATE LIMIT FOR THE YEAR BEGINNING  
OCTOBER 1, 1973 SHALL BE 152 MILLION SQUARE YARDS  
EQUIVALENT;

(II) THE GROUP LIMIT FOR GROUP I (YARNS AND  
FABRICS) FOR THE SAME AGREEMENT YEAR SHALL BE 119  
MILLION SQUARE YARDS EQUIVALENT. THE LIMIT FOR  
GROUP II SHALL BE 33 MILLION SQUARE YARDS  
EQUIVALENT.

(III) THE AGREEMENT SHALL BE EXTENDED FOR AN  
ADDITIONAL THREE YEARS TO RUN FOR FOUR AGREEMENT  
YEARS BEGINNING OCTOBER 1, 1973. (ANY AVAILABLE  
CARRYOVER RIGHTS ACCRUED UNDER THE AGREEMENT YEAR  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 225783

BEGINNING OCTOBER 1, 1972 SHALL BE AVAILABLE FOR  
THE YEAR BEGINNING OCTOBER 1, 1973.)

(B) WITHIN GROUP I, THE LEVELS FOR THE FOLLOWING  
SPECIFIC CATEGORIES FOR THE YEAR BEGINNING OCTOBER 1,  
1973, SHALL BE AMENDED AS FOLLOWS: 9/10 - 38,000,000  
SQUARE YARDS EQUIVALENT, 18/19 - 8,000,000 SQUARE YARDS  
EQUIVALENT, 26 (OTHER THAN DUCK) - 35,000,000 SQUARE

YARDS EQUIVALENT, AND WITHIN GROUP II, 28/29 - 7,000,000  
SQUARE YARDS EQUIVALENT, 31 - 8,870,000 SQUARE YARDS  
EQUIVALENT OF WHICH NO MORE THAN 5-322,000 SQUARE YARDS  
SHALL BE IN TERRY PRODUCTS AND 34/35 - 8,000,000  
SQUARE YARDS EQUIVALENT. CATEGORIES 22 AND 26 (DUCK) ARE  
TO BE CONSIDERED CONSULTATION CATEGORIES, WITH THE LEVELS  
IN EACH YEAR TO BE DECIDED BY AGREEMENT. FOR THE YEAR  
BEGINNING OCTOBER 1, 1973 - SEPTEMBER 30, 1974,  
THE LEVEL FOR CATEGORY 22 WILL BE 24,000,000 SQUARE YARDS,  
AND FOR CATEGORY 26 (DUCK) - 14,000,000 SQUARE YARDS.  
(C) IN ADDITION TO, AND OUTSIDE OF, THE LEVELS  
PROVIDED FOR UNDER THE BILATERAL COTTON TEXTILE AGREEMENT  
PRESENTLY IN EFFECT, AND AS IT WOULD BE AMENDED UPON  
IMPLEMENTATION OF PARAGRAPH (A) OF THIS UNDERSTANDING,  
THE GOVERNMENT OF INDIA MAY PERMIT THE EXPORTATION OF A  
TOTAL OF 15,000,000 SQUARE YARDS EQUIVALENT OF COTTON  
TEXTILES IN CATEGORIES 9/10, 18/19, 22 AND 26 FOR THE  
PERIOD EXTENDING FROM OCTOBER 1, 1973 THROUGH SEPTEMBER 30,  
1974, AVOIDING UNDUE CONCENTRATION ON ANY ONE OF THESE  
CATEGORIES.

WITH RESPECT TO THE AGREEMENT YEAR BEGINNING  
OCTOBER 1, 1974, THE GOVERNMENT OF INDIA MAY PERMIT  
THE EXPORTATION OF 5,000,000 SQUARE YARDS EQUIVALENT  
TOTAL FOR THE SAME CATEGORIES IN EXCESS OF THE THEN  
APPLICABLE AGGREGATE AND GROUP LIMIT FOR THE ABOVE  
CATEGORIES UNLESS THE UNITED STATES GOVERNMENT ADVISES  
THE GOVERNMENT OF INDIA THAT THERE HAS BEEN, OR IS  
LIKELY TO BE, A SIGNIFICANT DOWNTURN IN THE UNITED STATES  
MARKET FOR SUCH PRODUCTS. IN ADDITION, WITH RESPECT  
TO THE SAME AGREEMENT YEAR (THE TWELVE-MONTH PERIOD  
BEGINNING OCTOBER 1, 1974), THE UNITED STATES WILL  
CONSIDER A FURTHER REQUEST BY THE INDIAN GOVERNMENT TO  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 225783

EXPORT AN ADDITIONAL 10,000,000 SQUARE YARD EQUIVALENT  
IN THE SAME CATEGORIES IN EXCESS OF THE THEN APPLICABLE  
AGGREGATE AND GROUP LIMITS.

IT IS UNDERSTOOD THAT WHILE FORMAL ANNOUNCEMENT OF  
THE ABOVE MEASURES MAY BE DELAYED UNTIL AS LATE AS  
JANUARY 1974, THE GOVERNMENT OF INDIA MAY PROCEED TO  
ALLOCATE EXPORT LICENSES ON THE BASIS THAT THE 15,000,000  
YARDS REFERRED TO FOR THE PERIOD BEGINNING OCTOBER 1, 1973  
ARE AVAILABLE PURSUANT TO THESE UNDERSTANDINGS.

(D) THE BILATERAL COTTON TEXTILE AGREEMENT WILL BE  
AMENDED FOR THE YEAR BEGINNING OCTOBER 1, 1973 TO  
PROVIDE FOR THE EXEMPTION FROM ITS PROVISIONS OF HAND-  
LOOM PRODUCTS OF THE COTTAGE INDUSTRY. SUCH PRODUCTS,

TO BE SUITABLY DEFINED BY MUTUAL AGREEMENT OF THE PARTIES,  
SHALL BE SUBJECT TO A CERTIFICATION PROCEDURE TO BE  
DEVELOPED BY THE PARTIES, AND SHALL BE FREE OF  
QUANTITATIVE CONTROL UNDER THE AGREEMENT, PROVIDED ONLY  
THAT IN THE EVENT THE UNITED STATES FEELS THAT THE  
IMPORTATION OF SUCH PRODUCTS ARE CAUSING OR THREATENING  
TO CAUSE DISRUPTION OF DOMESTIC MARKETS, IT MAY  
REQUEST CONS  
E E E E E E E

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXTILES, COTTON, TRADE AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** elyme  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973STATE225783  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** HMPHELAN:MLB  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19731131/aaaaawnc.tel  
**Line Count:** 172  
**Locator:** TEXT ON-LINE  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** STATE 215612 NOTAL  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** elyme  
**Review Comment:** n/a  
**Review Content Flags:** ANOMALY  
**Review Date:** 20 DEC 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <20-Dec-2001 by shawdg>; APPROVED <15-Jan-2002 by elyme>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** US - INDIA MEMO UNDERSTANDING - TEXTILE MATTERS  
**TAGS:** ETRD, IN, US  
**To:** BOMBAY  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005